



## Regional: Enhancing Capacity to Mobilize Private Grant Cofinancing

Project Name	Enhancing Capacity to Mobilize Private Grant Cofinancing	
Project Number	48332-001	
Country	Regional	
Project Status	Closed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	<b>TA 8703-REG: Enhancing Capacity to Mobilize Private Grant Cofinancing</b>	
	Republic of Korea e-Asia and Knowledge Partnership Fund	US\$ 225,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Partnerships Private sector development	
Sector / Subsector	<b>Finance</b> - Finance sector development	
Gender Equity and Mainstreaming	No gender elements	
Description	The proposed Technical Assistance (TA) supports the Asian Development Bank (ADB) in increasing cofinancing by expanding the scope and scale of private donors' participation in ADB projects by contributions through financing and technical assistance. The draft TA concept paper was circulated to relevant departments/offices for their comments on 22 March and their comments have been incorporated in this S-CDTA. This TA will facilitate in (i) identification of potential private donors, assessing the appetite of the host developing member countries (DMCs) for private grant funding, and identification of potential projects within ADB where there is likelihood of private donor participation, and (ii) development of a tool kit including ADB process maps and guidelines for collaboration with private donors, best practice cases, and legal guidelines as well as a preliminary database of potential donors.	

Project Rationale and Linkage to Country/Regional Strategy

Poverty alleviation has been at the forefront of development initiatives undertaken and supported by the multilateral and bilateral development agencies. ADB is committed to alleviating poverty in its DMCs and, to this end, ADB is supporting DMCs through a variety of policy measures and technical assistances. As part of an evolving partnership agenda and with a view towards deepening its engagement with different stakeholders, ADB is expanding its partnership with private donors. With several major donor countries facing heightened economic constraints, there is a need to augment development assistance resources with private grant funding. New institutional arrangements, partnerships and modalities for collaboration between multilateral financial institutions, bilateral development agencies, and the private sector are being crafted to help meet the development challenges faced by the DMCs.

ADB is exploring new private grant partners to further augment its financial support and broaden the range of solutions it offers to DMCs in terms of practical knowledge, and innovative approaches. The potential private donors will include (i) private for-profit entities such as corporations, (ii) foundation of private entities and other private grant-making or philanthropic entities, (iii) industry associations including, but not limited to, chambers of commerce and related types of entities, and (iv) private individuals and philanthropists. In addition to help meet the financing gaps, the new private grant partnerships will expand the knowledge base and technologies that can be used to achieve ADB's development objectives of reducing poverty, fostering inclusive growth and creating sustainable socio-economic development. ADB's Midterm Review of Strategy 2020 mandates the expansion of its operations in education sector from 3% to 6-10% and in health sector from 2% to 3-5% along with a renewed emphasis on social protection. The private donors have often shown interest and commitment to support these areas. Currently, ADB is successfully collaborating with Bill & Melinda Gates Foundation, Rockefeller Foundation, Phu Bia Mining Limited, and Credit Suisse AG. Other multilateral development institutions such as the World Bank, Inter-American Development Bank, and bilateral agencies such as United States Agency for International Development, have several years of experience in collaborating with private grant donors to help DMCs address poverty reduction, foster inclusive growth, and create sustainable socio-economic development. Currently, ADB lags behind them.

While collaboration with profit and non-profit organizations has long been recognized as important from a sustainable social development perspective, a wide range of issues need to be addressed to mainstream this partnership approach within ADB. Collaboration design, financing and delivery of development solutions require concerted efforts and new mechanism for identifying, developing, and establishing partnerships with various private donors. In general, the motivation of private donors to contribute may be from philanthropy, corporate citizenship, corporate sustainability or business responsibility, among other reasons. Private donors value ADB's local knowledge, development expertise, networks, and credibility available through these partnerships. Private donors also appreciate ADB's dedicated partnership-building staff who has the requisite skills and commitment to drive partnerships in development projects. Some of the partnership opportunities may come with potential risks such as:

(i) Potential conflict of interest from private donor participation in ADB's projects and investments: Avoiding this risk requires upfront communication, formal disclosures, and development of adequate safeguards.

(ii) Reputational risk: To mitigate this, ADB must ensure that prospective private donors have credible business histories and reputation. Safeguards will be developed for these collaboration procedures in consultation with the Office of Anticorruption and Integrity (OAI).

(iii) Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT): This requires measures to ensure that prospective private partners are compliant with ADB's AML/CFT requirements.

The above opportunities and risks require putting in place robust practices and procedures to identify and engage potential private donors. ADB has ample experience in screening private sector entities. This TA will help in developing best practice models on how to strengthen collaboration with private donors for grant operations in the DMCs.

Impact	Enhanced resource mobilization from and knowledge sharing with private donors to better assist DMCs
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**Project Outcome**

Description of Outcome	Enhanced ADB's capacity for resource mobilization from private donors to support ADB's development activities
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Progress Toward Outcome

**Implementation Progress**

Description of Project Outputs	<ol style="list-style-type: none"> <li>1. Knowledge sharing with potential private donors and DMCs</li> <li>2. Private sector grant mobilization facilitated</li> <li>3. A tool kit on required knowledge to support the use of private grants in DMC projects</li> </ol>
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

**Summary of Environmental and Social Aspects**

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

## Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

## Business Opportunities

Consulting Services	Consultants will be engaged by ADB in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Goods and services will be procured in accordance with ADB's Procurement Guidelines (2013, as amended from time to time). Disbursement under the TA will be made in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time).
Procurement	The TA will be implemented over 24 months from 1 October 2014, and is expected to be completed by 30 September 2016. ADB will be the executing agency, and OCO will lead the TA implementation. The TA will provide 8 person-months of international consultants and 4 person-months of national consultant inputs. Consultants with a blend of skills and experience in relevant areas will be engaged. The terms of reference (TORs) for consultants are described in Appendix 3. The TA will also finance resource persons to facilitate necessary workshops and trainings.

## Responsible Staff

Responsible ADB Officer	Kanai, Tatsuya
Responsible ADB Department	Office of Cofinancing Operations
Responsible ADB Division	Office of Cofinancing Operations
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

## Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	05 Aug 2014
Last Review Mission	-
Last PDS Update	05 Nov 2014

## TA 8703-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
05 Aug 2014	-	05 Aug 2014	30 Sep 2016	31 Dec 2016	-

Financing Plan/TA Utilization							Cumulative Disbursements	
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	225,000.00	0.00	0.00	0.00	0.00	225,000.00	05 Aug 2014	205,070.72

Project Page	<a href="https://www.adb.org/projects/48332-001/main">https://www.adb.org/projects/48332-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=48332-001">http://www.adb.org/forms/request-information-form?subject=48332-001</a>
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